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November 18, 2009

TO: Each Health Deputy

FROM: Jonathan E. Fielding, M.D., M.P.H.
Director and Health Officer

SUBJECT: **NOTICE TO TERMINATE CONTRACT WITH JMO INTERNATIONAL SKILL DEVELOPERS, INCORPORATED**

This is to inform you that the Department of Public Health (DPH) is terminating its contract with JMO International Skill Developers, Incorporated because of serious deficiencies and irregularities identified during their most recent audit.

On November 5, 2008, the Board of Supervisors delegated the authority to the Director of DPH, or his designee, to terminate contracts with agencies for Drug Medi-Cal (DMC) program services, following County Counsel review and approval, and notification to the Board and the Chief Executive Office (CEO).

Attached is a summary of the deficiencies found during the course of a standard annual review audit of the agency's adherence to Title 22 and its contract with Los Angeles County. Some of these deficiencies were new and several had been previously identified in the agency's Fiscal Year 2008-2009 audit. Based on these findings, DPH will terminate its contract with JMO International Skill Developers, Inc.

California State Health and Safety Code Section 11758.43 requires the State Department of Alcohol and Drug Programs (SDADP) to contract directly with State-certified DMC providers when the County declines to contract with the provider. However, before it can do so, SDADP requires that the County Board of Supervisors inform SDADP in writing of its intent to not contract with the provider. The notification to SDADP has likewise been delegated to the Director of DPH or his designee.

If you have any questions or need additional information, please let me know.

JEF:mak

Attachment

c: Jonathan E. Freedman
Sheila Shima
Robert Ragland
Doraine Meyer
Tami Omoto-Frias
John Viernes, Jr.

COUNTY OF LOS ANGELES – DEPARTMENT OF PUBLIC HEALTH

List of Deficiencies and Contractual/Regulatory Requirements
Related to Drug/Medi-Cal Agreements
October 2009

JMO International Skill Developers, Incorporated

Deficiencies:

During the course of this audit, several major and serious deficiencies were identified. Some of these deficiencies were new and several had been previously identified in the agency's Fiscal Year 2008-2009 audit.

The following is a summary of the serious deficiencies as noted in the agency's full report:

1. The agency has two afternoon Day Care Habilitative (DCH) groups that run concurrently. The sign-in sheets for each of these groups appear to have been signed by one person, and not by individual clients as required. This was also noted in the agency's Fiscal Year (FY) 2008-2009 audits.
2. From April 2009 thru September 2009, the members of both DCH groups had perfect attendance. Every client attended three three-hour groups, three days a week, for six months straight. However, when Alcohol and Drug Program Administration (ADPA) audited the agency on September 8, 2009, only six of the normal 16 clients attended group.
3. When ADPA audited the agency on October 8, 2009, they were told that there were not any DCH groups that day because the agency was having their carpets replaced. Agency personnel said that all clients had been telephoned to tell them not to attend. ADPA then placed their own calls to 14 of the regular clients using telephone numbers listed in the client files. Of those clients, eight had disconnected or wrong numbers. In total, only two clients and the mother of another two clients were actually reached. The two clients that were interviewed stated that they had both been to the agency once. At that visit they gave an agency staff member a lot of personal information, including their Medi-Cal information, and were then given \$20. Although neither client has ever been back to the agency since that first day, the agency has billed a total of \$11,069.94 for services rendered.
4. During the visit on September 8, 2009, the auditor interviewed all six of the clients that were in the group session that day. As a group, the clients stated that most group sessions only last 1.5 to 2 hours. Title 22 requires them to receive three hours of structured activities three days a week.
5. A review of client files revealed that treatment plans do not always reflect all of the issues identified during the client's intake and assessment, and none of the client charts document ongoing case reviews, as required. Both these issues were also identified during the agency's FY 2008-2009 audit.

6. During the October 8, 2009 visit, ADPA asked to review all the sign-in sheets for that month. They were told that someone put them away and they were not available for review.
7. Agency had posted their weekly calendar showing their group schedule so high on a wall that it was not readable to anyone coming into the agency.

Conclusion:

The practices identified in this audit are directly indicative of a lack of integrity, and/or business honesty. For this reason it is recommended that the agency's contract with the County of Los Angeles be terminated immediately.